

## Message Text

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47

ACTION EUR-25

INFO OCT-01 EA-11 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-09 IO-12 NEA-10 NSAE-00 RSC-01

OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01

RSR-01 /128 W

----- 092150

R 191657 Z MAR 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 9086

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION BRUSSELS EC UNN

UNCLAS OECD PARIS 6743

E. O. 11652: N/ A

TAGS: EFIN, FR

SUBJECT: NEW MEASURES TO CHOKE OFF SPECULATIVE CAPITAL INFLOWS

1. IN ORDER SUPPORT INTERIM MONETARY ARRANGEMENTS AGREED ON IN  
LAST TEN DAYS, GOF IS IMPLEMENTING SERIES MEASURES DESIGNED  
CHOKE OFF SPECULATIVE CAPITAL INFLOWS. COMMERCIAL BANKS CAN  
NO LONGER:

A) INCREASE THEIR NET FOREIGN EXCHANGE LIABILITIES TO NON- RESIDENTS  
BEYOND POSITION ON FEBRUARY 28, 1973; B) PAY INTEREST ON NON-  
RESIDENT DEPOSITS, WHETHER DEMAND OR TIME; OR C) ALLOW NON-  
RESIDENT ACCOUNTS TO BE DEBITED FOR THE PURPOSE OF PURCHASING  
SHORT- TERM SECURITIES ISSUED BY GOF OR PRIVATE SECTOR. IN ADDITION,  
BANKS MUST NOW DEPOSIT 100 PERCENT OF NON- RESIDENT DEPOSITS  
OBTAINED AFTER JANUARY 4, 1973 IN RESERVE ACCOUNT AT BANK OF  
FRANCE. ( RESERVE REQUIREMENTS ON DEMAND AND TIME DEPOSITS MADE  
PRIOR THAT DATE CONTINUE AT 12 PERCENT AND 6 PERCENT RESPECTIVELY.)

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WM GOF USED SIMILAR SET OF MEASURES TO WARD OFF SPECULATION  
IN PERIOD BETWEEN AUGUST AND DECEMBER 1971. AT THAT TIME,  
BANKS COMPLAINED STRONGLY ABOUT ADMINISTRATIVE DIFFICULTIES  
IN IMPLEMENTING SUCH REGULATIONS.  
IRWIN

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973OECDP06743  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** OECD PARIS  
**Handling Restrictions:** n/a  
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**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Status:** <DBA CORRECTED> wfs 971222  
**Subject:** NEW MEASURES TO CHOK OFF SPECULATIVE CAPITAL INFLOWS  
**TAGS:** EFIN, FR  
**To:** BERN  
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SECSTATE WASHDC

THE HAGUE

TOKYO

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005